

## Maine Jobs and Recovery Small Business Grant Program November 2021

**MAINE'S PATH TO RECOVERY:** In addition to the threat to public health, the COVID-19 pandemic has fundamentally changed the global business environment, causing severe supply-chain disruptions, shifts in consumer spending habits, and workforce challenges. While many lifelines have been made available, there are still businesses and nonprofits that are struggling. We continue to see challenges for many industries ranging from those that rely on large groups of people gathering, like motorcoach and event venues, to organizations that have traditionally supported office activity, including dry cleaners, who may struggle with large, capital intensive businesses and limited revenue.

The State of Maine plans to use \$5m of the Economic Recovery Grant Funding for expense-based grant relief to help businesses and nonprofits with significant expenses related to COVID impacts. These expenses include:

- Interest on deferred loans - the loans must be in deferral as a direct result of the pandemic
- Costs incurred as a result of reopening after COVID-19 related closure (such as PPE, workforce safety training, and installation of physical safety measures)
- Increased costs of doing business as a result of COVID-19 (such as infrastructure tools to improve remote access (contactless check in/out, take out)
- HVAC improvements, creation or addition of indoor or outdoor space for social distancing purposes, and increased costs due to supply chain disruptions or increased demand)

To be eligible, applicants must have at least 20% of lost revenue in the year that the expense occurred. For example, in order to be able to include an expense from 2020, the organization must show a 20% loss from 2019. If the organization need reimbursement for an expense for January to June 30, 2021, the organization must be able to demonstrate a 20% revenue loss from the same time period in 2019.

We anticipate a \$50,000 award cap. The award cap is subject to change based on need and volume of applications. The minimum award will be \$250. If the qualified application amount exceeds the available funding, we will pro rate the awards.

The money available for these grants cannot wholly replace or repair the economic damage this pandemic has caused. Our narrow mission is to ensure that each dollar has at least a small, direct impact on supporting Maine businesses, Maine non-profit organizations, and Maine's economy.

**PROGRAM GOALS:** This program provides grants for businesses and non-profit organizations that demonstrate a need for financial relief based on expenses related to the disruption of business operations caused by the COVID-19 pandemic.

This program is intended to assist in the stabilization of Maine's economy and accelerate the transition from short-term relief to regaining our state's focus on Maine's 10-year Economic Development Strategy, anchored in talent and innovation.

**Eligibility Criteria:**

The Maine Jobs and Recovery Small Business Grant Program is intended to assist in covering losses incurred as a direct result of the COVID-19 pandemic and related public health response. Businesses/organizations will be liable for any misuse of funds. The grants are taxable income and subject to audit (including 2019, 2020, and 2021 tax documents to demonstrate 20% loss in revenue).

- Examples of unallowable expenses include (list is not all-inclusive):
  - Depreciation expense
  - Entertainment
  - Lobbying
  - Goods and Services for Personal Use
  - Fines, Penalties, Damages and other Settlements
- Funds must be spent on operations that are strictly within Maine.
- This grant is considered reportable income.

**To qualify for a Maine Jobs and Recovery Small Business Grant your business/organization must:**

- Demonstrate a need for financial relief based on lost revenues of at least 20% between March 2020 – June 30, 2021 due to COVID-19. To be eligible, applicants must have at least 20% of lost revenue in the year that the expense occurred. For example, in order to be able to include an expense from 2020 the organization must show a 20% loss from 2019. If the organization need reimbursement for an expense for January to June 30, 2021, the organization must be able to demonstrate a 20% revenue loss from the same time period in 2019.
- Be a for-profit business or non-profit organization, except:
  - Professional Services with NAICS Codes starting in 5411 or 5412
  - 501(c)(4), 501(c)(6)
  - K-12 schools, including charter, public and private, institutions of higher education
  - Municipalities, municipal subdivisions, and other government agencies
  - Foundations and charitable trusts
  - Trade associations
  - Credit unions
  - Insurance trusts
  - Scholarship funds and programs
  - Gambling
  - Adult Entertainment
  - Country clubs, golf clubs, other private clubs
  - Cemetery trusts and associations

- Fraternal orders
- Hospitals and nursing facilities
- Have significant operations in Maine (business/organization headquartered in Maine or have a minimum of 50% of employees and contract employees based in Maine)
- Be current and in good standing with all Maine State payroll taxes, sales taxes, and state income taxes (as applicable) through June 30, 2021
- Be a Business/Organization incorporated or purchased in Maine before January 2021
- Be in good standing with the Maine Department of Labor
- Not be in bankruptcy
- Not have permanently ceased all operations and intend to continue as a going concern
- Be in consistent compliance and not be under any current or past enforcement action with COVID-19 Prevention Checklist Requirements (<https://www.maine.gov/decd/covid-19-prevention-checklists>)
- Employ a combined total of 250 or fewer employees and contract employees throughout 2020
  - If, for a period greater than two weeks within 2020, your business/organization exceeded 250 employees and contract employees then your business/organization is not eligible. For the purposes of this calculation, count 1 employee or contract employee if they are employed, on average, at least 30 hours of service per week or 130 hours of service per month. Count 0.5 for each part-time employee who is employed, on average, less than this).

For non-profit organizations: Only organizations that file Form 990 or Form 990-EZ are eligible to apply.

A group of affiliated entities should only submit one grant application. Please coordinate with other affiliated entities prior to submitting an application.

For purposes of the Maine Jobs and Recovery Small Business Grant Program, your business/organization is considered affiliated with any other business/organization that:

- Has the same Federal Taxpayer Identification Number (including Social Security Number)
- Has the same corporate parent or grandparent
- Is majority owned (more than 50%) by the same owner or group of owners

### **Application Deadline**

Applications will be accepted until 11:59 PM November 26, 2021. Visit the online application to complete the form electronically.

For additional information, please refer to the Maine Jobs and Recovery Small Business Grant Program FAQ document.

If you have any questions that are not addressed in the application instructions or the FAQs, please call: 1-800-872-3838 and press 3, or email: [BizAwards.DECD@maine.gov](mailto:BizAwards.DECD@maine.gov).